August 27, 2012

Dear Madam:

I refer to the Letter Agreement ("Agreement") between the International Development Association ("World Bank"), acting as administrator of grant funds provided by the State and Peacebuilding Fund, and Save the Children ("Recipient") for the above-referenced project, dated August 27, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF012844 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

1. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:
   - Reimbursement
   - Advance
   - Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Withdrawal Condition(s) in the Grant Agreement.
I. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to submit Applications:

The World Bank
1818 H Street, N.W.
Washington, DC 20433
United States of America
Attention: Hedi Larbi, Country Director

(ii) Applications (subsections 3.2). Please provide completed applications for withdrawal, together with supporting documents, through the World Bank’s Client Connection, web-based portal, following the instructions for electronic delivery. In the case the recipient does not have internet access, the World Bank may permit the delivery of applications for withdrawal, together with supporting documents, in accordance with subsection 3.3, to the following address:

The World Bank
Radnicka cesta 80, 9th Floor
Zagreb, HR-10000, Croatia
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices (“Tokens”) from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of Tokens to Process Applications. By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Reimbursements and Direct Payments is USD 100,000.

(vi) Advances (sections 5 and 6) to SC.

* Type of Designated Account (subsection 5.3): Pooled
• Currency of Designated Account (subsection 5.4): USD

• Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): Handelsbanken

• Ceiling (subsection 6.1) USD 300,000

III. Reporting on Use of Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

• For requests for Reimbursement:
  o Statement of Expenditure in the form attached (Attachment 4);
  o Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued at USD 100,000 or more;
  o List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5).

• For reporting eligible expenditures paid from the Designated Account:
  o Statement of Expenditure in the form attached (Attachment 4);
  o Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments against contracts valued at USD 100,000 or more;
  o List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 5); and,
  o A reconciliation of the Designated Account, in the form attached (Attachment 6), with a copy of the bank statement.

• For requests for Direct Payment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly or more often if required.

IV. Other Important Information

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be affected. For more information about the website and registration arrangements, please contact the World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact LOA-TF by sending an email to loa-tf@worldbank.org and using the trust fund number as a reference.

Yours sincerely,

[Signature]

Pilar Maisterra
Acting Country Director
Middle East Department
Middle East and North Africa Region

Attachments

2. Form for Authorized Signatures
4. Form of Statement of Expenditures
5. Form of Payments Against Contracts Subject to the World Bank’s Prior Review
6. Designated Account Reconciliation Statement